

VZCZCXRO2376
OO RUEHBI RUEHCI RUEHDBU RUEHLH RUEHNEH RUEHPW
DE RUEHNE #2195/01 3011359
ZNY SSSSS ZZH
O 281359Z OCT 09
FM AMEMBASSY NEW DELHI
TO RUEHC/SECSTATE WASHDC IMMEDIATE 8396
INFO RUCNCLS/ALL SOUTH AND CENTRAL ASIA COLLECTIVE
RUEHBJ/AMEMBASSY BEIJING 8025
RUEHBY/AMEMBASSY CANBERRA 1512
RUEHMO/AMEMBASSY MOSCOW 3718
RUEHFR/AMEMBASSY PARIS 1944
RUEHKO/AMEMBASSY TOKYO 6535
RHEFDIA/DIA WASHDC
RHMCSUU/HQ USCENTCOM MACDILL AFB FL
RHHMUNA/HQ USPACOM HONOLULU HI
RHEHNSC/NSC WASHDC
RUEKJCS/SECDEF WASHDC
RUCNDT/USMISSION USUN NEW YORK 8597
RUEHUNV/USMISSION UNVIE VIENNA 1800

S E C R E T SECTION 01 OF 03 NEW DELHI 002195

SIPDIS

E.O. 12958: DECL: 10/01/2020

TAGS: [PREL](#) [PTER](#) [OVIP](#) [AF](#) [PK](#) [IN](#)

SUBJECT: SCENESETTER FOR AMBASSADOR HOLBROOKE'S VISIT TO INDIA

Classified By: Ambassador Tim Roemer. Reason: 1.4 (b,d).

11. (S) We welcome your visit to New Delhi as the government prepares for PM Singh's official state visit to Washington and India approaches the first anniversary of the Mumbai attacks. You will find a government that is secure politically after recent victories in several state assembly elections and one that is committed to engaging with the U.S. through the Strategic Dialogue process. India has had several rounds of talks with Pakistan, but these have not been productive because of a perceived lack of progress on counterterrorism issues. We do not believe that USG pressure on India or a new USG policy to alter or accelerate this process - either through a public campaign for resumption of the Composite Dialogue or through previously established back channels - is likely to produce the desired results.

Dialogue with Pakistan

12. (S) The Indians well-understand our message about the importance of a robust dialogue with Pakistan and the necessity of increased GOI communication to reassure Pakistani officials about India's good intentions in Afghanistan. The response we have consistently received when we have pushed this message is that the GOI will not re-engage in the Composite Dialogue until Pakistan demonstrates tangible results in acting against terror directed at India. The prevailing Indian media assumption is that a Pakistani hand was behind the October 8 bombing of the Indian Embassy in Kabul, and this perception will likely make the GOI even less eager to rush into resuming the sort of forward-leaning communications that took place several years ago with the Musharraf government. Indian reluctance to re-engage may be further compounded by the recent discovery by U.S. officials of a U.S.-based plot involving targets in India and a connection with Pakistan.

13. (S) Looking at Pakistan's post-Mumbai law enforcement actions against Pakistani nationals suspected of involvement in attacks against India, the view from Delhi is that the prosecution has thus far been ineffectual and appears focused more on show than substance. No doubt, the Zardari government sees any prosecution as unprecedented. However, a commonly shared view here is that action has taken place only because a Pakistani national who participated in the attacks survived and divulged the operation's Pakistani origin, thus depriving Islamabad the option of deniability.

Pakistan's arrest of seven Mumbai suspects was clearly a step in the right direction, but the in camera trial has been delayed multiple times over the course of many months and is now on its third judge. The August 3 Pakistani court decision to adjourn indefinitely on a legal technicality a criminal case against LeT/JuD leader Hafiz Saeed (a man perceived by Indians in much the same way as Osama bin Laden is perceived by Americans), the alleged Mumbai attack mastermind, was clearly a step backward. The positive impact of Pakistan's subsequent move to place Saeed under some sort of "protective custody" has been undercut by the fact that he is apparently not in actual detention and that Pakistani officials told the GOI that the case against him is unrelated to the Mumbai attacks.

14. (S/NF) Another positive development, the acceptance by Pakistan of dossiers provided by the Indian government purporting to establish the involvement of the seven suspects and Saeed in terror attacks, was undermined by the Pakistani assertion that such dossiers were scanty and legally inadmissible, thus furthering the perception that Pakistan has taken few steps on its own to investigate the links between Saeed and other Mumbai conspirators. Pakistan's demand that India essentially prove the case against Saeed has predictably gone over like a lead balloon here, where the GOI argues that the bulk of evidence against the Mumbai conspirators would likely be found in Pakistan, the place where the conspiracy was carried out. In the meantime, the international media and others report that LeT/JuD continue to have a visible public presence in Pakistan and have not been shut down by Pakistani authorities. We also continue to

NEW DELHI 00002195 002 OF 003

hear a drumbeat of reports in other channels that future spectacular Mumbai-style attacks against India may be in the offing.

15. (S) In our discussions, GOI officials have been reluctant to spell out the concrete measures that would constitute Pakistani good faith and allow the resumption of a dialogue. Based on what we have consistently heard, the GOI is looking for a GOP investigation into Saeed's involvement in the Mumbai attacks and his prosecution for involvement in the same, as well as the successful prosecution of the Mumbai Seven; some sign of dismantling of LeT/JuD infrastructure; and a decrease in cross-border infiltrations.

16. (S) The GOI must also factor lingering public anger over Mumbai into its calculus. With the first anniversary of the attacks nearing, the government will need to defend the approach it has pursued. However much PM Singh would like to resume the Dialogue (and there is evidence to suggest that he is far more inclined to do so than some of his senior advisors), he must be wary of getting too far out in front of public and political-class opinion. The July 23 Sharm agreement was met with media outrage and significant dissent from some within the ruling coalition and Singh's own Congress party who felt the agreement was precipitate and a sign of Indian weakness. The fall-out might have toppled a weaker and more fragmented government. PM Singh will need political cover to resume the Composite Dialogue and we see little evidence that he believes Pakistan's post-Mumbai anti-terror steps have provided him such cover. Until Singh is satisfied that such cover exists, we think the GOI decision on dialogue with Pakistan faces difficult internal obstacles.

Afghanistan

17. (S) Your interlocutors will be well aware of press reports about USG policy deliberations on Afghanistan/Pakistan that suggest some in the USG may support pressure on India to reduce its profile and activities in Afghanistan so as to allay Pakistani angst about perceived nefarious Indian motives there. Such a move would directly contradict USG

efforts since 2001 to encourage greater Indian engagement with Afghanistan, a nation with which India has a long history of relations and which the Indians will not abandon simply because we ask them to.

¶8. (S) The GOI has largely withheld public comment as the Afghanistan electoral process played itself out over the past two months. Officials have maintained privately that they anticipated - and are prepared to tolerate - a flawed electoral process so long as it does not destabilize Afghanistan. While India's close ties with Karzai date back to his days as a student here, the GOI also appears to have good relations with Abdullah. The Indian-Afghan relationship was in the spotlight after the fatal October 8 bombing of the Indian Embassy in Kabul, the second such attack in 16 months. The Indian press wasted no time in blaming Pakistan for both attacks, with officials taking a more measured approach about responsibility for the second blast.

¶9. (S) India is proud of its ongoing "development partnership" with post-Taliban Afghanistan that began in late 2001, and the GOI claims the sum of its performed and pledged assistance to date totals USD 1.3 billion. Civilian aid is channeled into three main areas: infrastructure development (centerpiece is a 218km road in Helmand); capacity building (scholarships and civil service training in India); and humanitarian assistance (daily food aid to 2 million Afghan school children and construction of a new parliament building). Virtually all GOI aid is administered through the Afghan government or NGOs.

¶10. (S) India has also expressed interest in increasing military training and assistance, and in providing training for Afghan police. The GOI currently provides a variety of training to approximately 100 ANA personnel in India and that number is expected to rise. India has offered its Advanced

NEW DELHI 00002195 003 OF 003

Light Helicopter to Afghanistan as well as pilot training to the new Afghan air force. The GOI has provided cars and trucks to the Afghan military. Officials tell us they have discussed with Afghan officials the possibility of training Afghan police women and bomb disposal specialists, but no large-scale training has yet taken place. India will likely move forward in providing this assistance, with or without our blessing.

¶11. (S) While expressing appreciation for India's efforts in Afghanistan, you should also advocate increased coordination of Indian aid with the USG and other international partners in order to maximize impact and eliminate duplicative and contradictory approaches as we pursue a common goal of increased Afghan governance and security capacity. You should also reinforce our standard message to senior GOI officials about the need for the GOI to exchange information with Pakistan about its activities and intentions in Afghanistan in the hope of alleviating Pakistani fears.

Domestic Politics

¶12. (C) The government you will deal with is politically secure, but India's relationship with Pakistan has been a continuing sore spot domestically despite this strength. The strong performance by the Congress Party and its United Progressive Alliance (UPA) allies in India's national elections has provided the Congress Party with a mandate to govern, after years of battling communists and regional coalition "partners" over issues including a closer relationship with the United States. Despite the strong endorsement by the electorate and a floundering opposition, the UPA government has gotten off the blocks somewhat slowly. The honeymoon period was cut short when fallout over a joint statement that came out of Singh's July 16 Sharm el-Sheikh meeting with Pakistani PM Gilani proved a headache for his government and an opportunity for Singh's political

opponents. Even more significantly, Singh's position at Sharm met with significant dissent from within his own ruling coalition, including heavyweights like Finance Minister Mukherjee and NSA Narayanan.

¶13. (C) The opposition BJP seized upon the Sharm el-Sheikh issue, looking to rebound from the party's poor showing in the national elections. This move won temporary political points for the BJP, but the party's steady summer implosion involving vicious factionalism and the high-profile expulsion of former party leader Jaswant Singh facilitated the UPA government's rebound from Sharm. The UPA government has also moved much slower than was hoped on long-awaited financial sector liberalization, including insurance, banking and pension bills that did not get introduced as expected during the last session of Parliament that ended in August. There is still optimism that there may be progress at least on the insurance and banking bills in the November-December session.
ROEMER